

RECORDATION NO. 12140

AUG 29 1980-10 35 AM

INTERSTATE COMMERCE COMMISSION

CRAVATH, SWANSON & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

212 HANOVER 2-3000

TELEX

RCA 233663

WUD 125547

WUI 620976

No. 320A023

Date AUG 29 1980

Fee \$ 100.00

ICC Washington, D. C.

RECORDATION NO. 12140

AUG 29 1980-10 35 AM

INTERSTATE COMMERCE COMMISSION

August 29, 1980

System Fuels, Inc.

Lease Financing Dated as of August 29, 1980

12.5% Conditional Sale Indebtedness Due July 1, 1998

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303(a) and the Commission's rules and regulations thereunder, I enclose herewith on behalf of System Fuels, Inc. for filing and recordation, counterparts of the following documents:

(1) (a) Conditional Sale Agreement dated as of August 29, 1980, between The Connecticut Bank and Trust Company, as Trustee, and Bethlehem Steel Corporation;

(b) Agreement and Assignment dated as of August 29, 1980, between Bethlehem Steel Corporation, and Metropolitan Life Insurance Company; and

(2) (a) Lease of Railroad Equipment dated as of August 29, 1980, between System Fuels, Inc. and The Connecticut Bank and Trust Company, as Trustee;

(b) Assignment of Lease and Agreement dated as of August 29, 1980, between The Connecticut Bank and Trust Company, as Trustee, and Metropolitan Life Insurance Company.

MAURICE T. MOORE
WILLIAM B. MARSHALL
RALPH L. MCAFEE
ROYALL VICTOR
HENRY W. DEKOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK
GEORGE T. LOWY
ROBERT ROSENMAN
JAMES H. DUFFY
ALAN J. HRUSKA
JOHN E. YOUNG
JAMES M. EDWARDS
DAVID G. ORMSBY

DAVID L. SCHWARTZ
RICHARD J. HIEGEL
FREDERICK A. O. SCHWARZ, JR.
CHRISTINE BESHAR
ROBERT S. RIFKIND
DAVID BOIES
DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL
DOUGLAS D. BROADWATER
ALAN C. STEPHENSON
RICHARD L. HOFFMAN
JOSEPH A. MULLINS
MAX R. SHULMAN
WILLIAM P. DICKEY
STUART W. GOLD
JOHN W. WHITE

CARLYLE MAW
ALBERT H. CONNELLY
BANK H. DWELLE
GEORGE DYLLER
ROSELL L. O'PATRIC
L. R. TESLIN
GEORGE S. TURNER
JOHN H. MORSE
HAROLD MEDINA, JR.
CHARLES MINTON
ALLEN H. MERRILL

4, PLACE DE LA CONCORDE
75008 PARIS, FRANCE
TELEPHONE: 265-61-54
TELEX: 290830

33 THRODMORTON STREET
LONDON, EC2N 2BR, ENGLAND
TELEPHONE 01-606-1421
TELEX: 6814901

CABLE ADDRESSES
CRAVATH, N. Y.
CRAVATH, PARIS
CRAVATH, LONDON E. C. 2

Counterparts - 10/1/1980

New Number

- A

- B

- C

The names and addresses of the parties to the
aforementioned Agreements are as follows:

(1) Assignee:

Metropolitan Life Insurance Company
One Madison Avenue
New York, N. Y. 10010

(2) Trustee:

The Connecticut Bank and Trust Company
One Constitution Plaza
Hartford, Connecticut 06115

(3) Builder-Vendor:

Bethlehem Steel Corporation
Bethlehem, Pennsylvania 18016

(4) Lessee:

System Fuels, Inc.
225 Baronne Street
New Orleans, Louisiana 70121

Please file and record the documents referred to in
this letter and cross-index them under the names of the
Assignee, the Trustee, the Builder-Vendor and the Lessee.

The equipment covered by the aforementioned documents
consists of the following:

750 100-ton rotary dump coal cars, AAR Mechanical
Designation GT, bearing identifying numbers of the
Lessee SFIX 594 through 1336 and SFIX 7007 through
7013, all inclusive.

There is also enclosed a check for \$100 payable to
the Interstate Commerce Commission, representing the fee for
recording the Conditional Sale Agreement and related Agree-
ment and Assignment (together constituting one document) and
the Lease of Railroad Equipment and related Assignment of
Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed
documents with your official recording stamp. You will

wish to retain one copy of the instruments for your files.
It is requested that the remaining counterparts be delivered
to the bearer of this letter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "James R. Silkenat". The signature is written in a cursive style with a large, stylized initial "J".

James R. Silkenat
As Agent for System Fuels, Inc.

Agatha L. Mergenovich, Esq., Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

12140-C

[CS&M Ref. 2164-112]

AUG 29 1980 10 35 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of August 29, 1980 (the "Assignment"), between THE CONNECTICUT BANK AND TRUST COMPANY, acting solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of the date hereof with the Owner named therein (the "Trust Agreement"), and METROPOLITAN LIFE INSURANCE COMPANY (the "Vendor").

WHEREAS the Trustee is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with BETHLEHEM STEEL CORPORATION (the "Builder") providing for the sale to the Trustee of such units of railroad equipment (the "Units") described in the Annex B thereto as are accepted by the Trustee thereunder;

WHEREAS the Trustee and SYSTEM FUELS, INC. (the "Lessee"), have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") providing for the leasing by the Trustee to the Lessee of the Units; and

WHEREAS in order to provide security for the obligations of the Trustee under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in Paragraph 4.3(b) of the CSA), the Trustee agrees to assign for security purposes its rights in, to and under the Lease (except as herein otherwise specified) to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Trustee hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Trustee under the CSA, all the Trustee's right, title and interest, powers, privileges and other benefits under the Lease, including, without limitation, all rentals, profits and other sums payable to or receivable by the Trustee from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, liquidated damages, or otherwise (such

moneys being hereinafter called the "Payments"), and to the extent required by § 3.3 of the Lease the immediate right to receive and collect the Payments and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Trustee is or may become entitled to do under the Lease; provided, however, that the term Payments as used herein shall not be deemed to include payments made by the Lessee to the Owner or Trustee pursuant to §§ 6, 12 and 20 of the Lease (except indemnification payments intended to satisfy the obligations of the Trustee to indemnify the Vendor pursuant to Articles 6 and 14 of the CSA or the obligation of the Lessee to indemnify the Vendor in its capacity as assignee of the Lease), it being understood that amounts payable by the Lessee to the Owner or Trustee pursuant to any of said Sections are not (except as aforesaid) intended to be assigned to the Vendor hereunder. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to the extent required by § 3.3 of the Lease to which the Trustee is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Trustee pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Trustee then due and payable under the CSA, and, so long as no event of default or event which with the lapse of time and/or demand provided for in the CSA would constitute an event of default thereunder, shall have occurred and be continuing, any balance shall be paid, in the manner specified in § 13 of the Participation Agreement, to the Trustee on the same date such Payment is applied to satisfy such obligations of the Trustee and such balance shall be retained by the Trustee. If the Vendor shall not receive any rental payment under § 3.3 of the Lease when due or any other Event of Default shall occur under the Lease, before the Vendor shall be entitled to declare an event of default under Paragraph 16 of the CSA, the Vendor shall give five days' advance notice (such notice to be deemed conclusively given upon the Owner's receipt of such notice by certified first class U.S. mail) to the Trustee and the Owner at their addresses set forth in the Lease; provided, however, that the failure of the Vendor to

so notify the Trustee shall not affect the obligations of the Trustee hereunder or under the CSA.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Trustee under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Trustee or persons other than the Vendor.

3. The Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by the Trustee; without the written consent of the Vendor, the Trustee will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or (subject to the proviso to Paragraph 23.2 of the CSA) enter into any agreement amending, modifying or terminating the Lease and the Trustee agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Trustee does hereby constitute the Vendor the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Trustee is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Trustee under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in

and to the Lease shall revert to the Trustee, without further act or deed, but the Vendor shall execute and deliver such documents as the Trustee may reasonably request in order to confirm, or make clear upon public records, such termination and/or reversion. Promptly following such full discharge and satisfaction, the Vendor agrees that it will advise the Lessee in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied and instruct the Lessee that no further payments under the Lease are to be made to the Vendor.

6. The Trustee will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

7. The Vendor may assign all or any of the rights assigned to it hereby, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder. The Vendor will give written notice to the Trustee and the Lessee of any such assignment.

8. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor.

10. The Vendor hereby agrees with the Trustee that the Vendor will not, so long as no event of default under the CSA has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Trustee to the Vendor by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the CSA, the Trustee may, so long as no event of default under the CSA has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges and remedies arising out of § 13.1(a) of the

Lease; provided, however, that the Trustee shall not, without the prior written consent of the Vendor, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease.

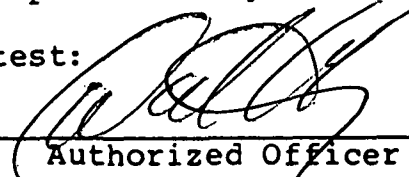
11. It is expressly understood and agreed by and between the parties hereto, anything in this Assignment to the contrary notwithstanding, that each and all of the representations, warranties and agreements in this Assignment made on the part of the financial institution acting as Trustee hereunder are each and every one of them made and intended not as personal representations, warranties and agreements by said financial institution, or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Assignment is executed and delivered by the said financial institution solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the said financial institution or the Owner on account of any representation, warranty or agreement herein of the Trustee or the Owner either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under the Vendor, making claim hereunder, may look to said Trust Estate for the satisfaction of the same.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee as aforesaid,


[Corporate Seal]

Attest:



Authorized Officer

by



Authorized Officer

METROPOLITAN LIFE INSURANCE
COMPANY,

by

[Corporate Seal]

Attest:

by

Authorized Officer

STATE OF CONNECTICUT,)
) ss.:
COUNTY OF HARTFORD,)

On this 21st day of August 1980, before me personally appeared **F. W. KAWAM**, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Barbara A. Kacich
Notary Public

[Notarial Seal]

My Commission expires

BARBARA S. KACICH
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1982

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of METROPOLITAN LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of METROPOLITAN LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT

The undersigned, SYSTEM FUELS, INC., a Louisiana corporation (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) to the extent required by § 3.3 of the Lease, it will pay Payments (as defined in the Lease Assignment) due and to become due under the Lease directly to the account of Metropolitan Life Insurance Company (the "Vendor"), the assignee named in the Lease Assignment, Account No. 002-1-039565 at The Chase Manhattan Bank, N.A., 33 E. 23rd Street, New York, N. Y. 10010 (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) except as otherwise contemplated by Paragraph 10 of the Lease Assignment, the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Trustee;

(3) the Vendor shall not, by virtue of the Lease Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent or of any of the rights created by any thereof.

This Consent shall be construed in accordance with the laws of the State of New York.

Dated as of August 29, 1980

SYSTEM FUELS, INC.,

by

[Corporate Seal]

Attest:

Assistant Secretary